Mr. PRESIDENT.—Some of the records are stated to be missing.

Mr. T. MARIYAPPA.—If so, should not the entire question be referred to the Council for reconsideration?

Mr. M. VENKATANARANAPPA.—There was a long interval between approving of the revision and giving effect to it. Meanwhile, the term of the Council which revised the assessments expired and it was succeeded by another Council. So also the previous Vice-President's term expired and it was his successor who gave effect to the revised assessments. And that gentleman is now dead. I do not think any useful purpose will be served by going into the question any further.

Mr. T. MARIYAPPA.—When house-taxes were raised, the people represented that such increase would hit them very hard and so the resolution of the Municipality was not given effect to at first. A new Vice-President came to power and he gave effect to it. The assessment has been trebled and quadrupled in some cases. Objection petitions were not called for. Appeals to higher officers had no effect. In view of all that, may we not request the Government to refer back the entire question to the Municipal Council and obviate all difficulties?

Mr. M. VENKATANARANAPPA.—Already three years have elapsed. The next revision will soon fall due when all the difficulties may be represented and proper relief obtained.

Mr. T. MARIYAPPA.—But even now, houses are being auctioned on account of non-payment of assessment as revised. So some immediate relief is necessary. The Deputy Commissioner and the Revenue Commissioner have summarily rejected appeals from individual parties. If we represent to the Municipal Council that the question be reconsidered, they say they cannot do it. Between these, what should be the fate of the poor house-owners?

Mr. PRESIDENT.—If the Municipal Council also have refused to interfere, they must have done so for very good reasons. If the Council do not wish to reduce the assessment, others can do nothing in the matter

GENERAL DISCUSSION ON THE BUDGET—(*contd.*).

Mr. T. MADIAH GOWDA felicitated the Government on definitely stating that in the budget year they would be going to have a surplus of Rs. 2 lakhs, a feature which had not been witnessed for the past 10 years. In six out of the past 10 years there had been heavy deficits aggregating Rs. 140 lakhs in addition to withdrawals to the extent of Rs. 68 lakhs from reserve funds. So, the mere expectation of a surplus of Rs. 2 lakhs was an encouraging feature. But, it remained to be seen whether the year would really result in a surplus balance. So far as he could judge, he was afraid there would be no surplus. In 1934-35 the percentage of land revenue collections to the total demand was 77·93. And for the year 1935-36, against the estimate of 83·69 per cent the revised was only 82·60 per cent. The actuals for that year were not yet ready. For the budget year, under land revenue it was estimated that the percentage of collections would be 82·87. He did not know how far that anticipation would prove correct. The percentage of collection was the lowest in 1934-35 and he did not know how the Government expected improvement during the current and budget years. Seasonal conditions had not improved, the same state of affairs as existed in 1934-35 still continued, and the agriculturists were still faced with unprecedented economic depression. Agriculturists as a class were heavily indebted, their inability to discharge debts continued as before, and their creditors were dragging them to court. They were unable to replace the cattle that died on account of dearth of fodder and water. On this account they were unable even to carry on their agricultural avocations. The very fact that Government had to bring forward the Debt Conciliation Bill showed that the agriculturists stood in need of special relief. So far as the current year was concerned, the *mungar* rains had so far failed and the prospect for the future was anything but bright. So, it could not be said with certainty

that Government would be realising all their anticipations under Land Revenue whether in the current year or in the following year.

The FINANCIAL SECRETARY to GOVERNMENT (Mr. S. Shamanna), interrupting, observed that Government had no doubt whatever about realising their anticipations for the current year. In fact, they had already realised most of their expectations and some further collections would be made in the current month.

Mr. T. MADIAH GOWDA, continuing, observed that but for the coercive processes employed, the authorities would not have collected so much revenue. Collections had been made without reference to the miserable condition of the agriculturists. The more the Government fleeced the agriculturists, the worse would be the condition of the State in course of time. It appeared to him that local revenue officers were under the impression that the most important of all their duties was to exact the last pie due from the agriculturists, whatever their circumstances. They had forgotten that it was also their duty to afford facilities to the agriculturists. In former times, revenue officers had sympathy for the agriculturists. But at present they seemed more particular about collection of revenue at all costs. At any rate, this was the impression created by them. It might perhaps be due to their not going into interior parts at all on horse-back as they were doing formerly. He therefore requested that the old system of revenue officers going on horse-back to villages and enquiring personally into their wants and grievances be insisted upon.

The FIRST MEMBER (Rajamantrapravina S. P. Rajagopalachari) replied that the old system had been merely kept by as a measure of retrenchment and that Government were contemplating to revive it.

Mr. MADIAH GOWDA thanked the Government for this reply.

Next, he pointed out the defects in the system of jamabandy work as conducted by revenue officers at present. More than one taluk was being taken up and completed in the course of one and the same day, and within such a short time it was not possible for them to inspect the condition of tanks and wells in each village, to inquire into the economic position of the agriculturists, and ascertain their essential needs. They were not even examining whether receipts for payment of kandayam were at all issued and if issued, whether they were in proper form. He requested these and other defects in the jamabandy work be rectified as early as possible. He added that the raiyats would be considerably helped if the spirit of the rules relating to jamabandy was properly understood and sympathetically worked by the concerned officers.

The speaker was not in favour of increasing the grant to the University by as much as Rs. 90,000 when for primary and middle school education only Rs. 20,000 more were provided. He did not know what great headway in primary and middle school education could be made with the help of this meagre sum. Primary and middle school teachers were ill-paid and their pay and prospects required to be considerably improved. For this purpose, he would have been glad if at least the full amount of anticipated surplus, *viz.*, Rs. 2 lakhs, had been earmarked for primary and middle school education, even stopping the grant to the University for a certain number of years. School Inspectors were not paying surprise visits to schools in the interior, and therefore it was not possible to say whether the pupils of school-going age at all attended the classes and whether the teachers were coaching them well. It could not be said that reports and returns always represented the correct state of affairs. Where exactly the defect lay required to be found out and arrangements made to rectify it.

Mr. B. L. BYANNA, speaking next, observed that the budget was promising, at any rate not disappointing. He did not believe, as some of the previous speakers had observed, that Government had inflated receipts just to show a surplus. But he agreed that the grants provided for certain

departments were not adequate. This was more so in the case of local self-government institutions, particularly the Bangalore City Municipality. He thought that Government would have done well if they had permitted the Municipality themselves to lay out the Kumbargundi Extension and derive the full income thereof by sale of sites. The resources of that Municipality were not enough but their commitments were large. Besides having to spend a lot on roads and drains and on their maintenance, they were also carrying out, at considerable sacrifice, whatever works they were asked by the Government to carry out within municipal limits. The income from the Kumbargundi Extension would have considerably added to their resources. Even now they would be glad to undertake the sale of the sites in question.

The SECOND MEMBER (Mr. N. Madhava Rau) replied that as against the expected income, Government were also incurring heavy expenditure which also had been provided for in the budget.

Mr. BYANNA observed that Government would be making a profit of at least Rs. 3 lakhs from that sale of sites and he requested that that amount be handed over to the Municipality.

The member expressed himself in favour of the withdrawal of the cuts imposed on the salaries of Government officers, but he said that he would have appreciated it very much if the Government had also reduced the land tax which was weighing heavily on the agriculturist. The rates of assessment in the State were, in a majority of cases, higher than those prevailing in the bordering taluks of British India. The agriculturists in the State were unable to pay at those high rates but by taking coercive processes the local officers were collecting all dues. This had aggravated the difficulties of the agriculturists. There were many instances of petty landholders having been dispossessed of all their lands, homes and belongings. At every session of the House, representatives of the people had been praying for reduction of assessment, but the Government had so far not considered that question favourably. In all these circumstances, at least as a matter of mere human justice, he requested the Government to give the agriculturists some relief, especially as there were expectations of a surplus of Rs. 2 lakhs for the budget year.

Next, he regretted that there was too wide a disparity between the provision for the purchase of Europe medicines and that for country medicines. Europe medicines being costlier, he would request that adequate grants be provided for locally manufactured medicines, so that larger quantities of them could be purchased and liberal supplies made to rural parts. He also requested (1) that adequate provision be made in the budget for providing at least one midwife for each hobli, (2) that the grant under Education be suitably enhanced so that a few more schools might be opened in each district, (3) that some effective action be taken to solve the unemployment problem, especially in view of the fact that the University would continue to produce graduates each year and the problem of unemployment would naturally grow more and more acute unless prompt action was taken as suggested, (4) that the grant for drinking water wells be similarly enhanced so that at least 10 to 15 wells might be sunk in each district, (5) that the charge per unit of electric power consumed for lighting purposes be reduced from 4 annas to 2½ annas as the demand for electricity was growing by leaps and bounds and the department would not lose by such reduction, (6) that only about 25 acres of land belonging to the Sunnakal Farm at Bangalore be retained for experimental purposes and all the rest of it converted into house sites to be sold away to Vanhikulakshatriyas for upset price, and (7) that the pay and prospects of primary and middle school masters as well as taluk officials be improved, adequate provision therefor being made in the budget.

He next pointed out the inordinate delays that were occurring in the matter of acquisition of private properties and payment of compensation therefor. In some cases, he said, declarations were

notified, but for years thereafter no steps were taken either to acquire the lands and pay compensation or even to terminate the acquisition proceedings. The owners were being put to a lot of trouble on this account. They could neither improve the properties nor derive the satisfaction of receiving compensation. He therefore requested that a time limit be prescribed within which all acquisition proceedings should be definitely disposed of one way or other.

The member concluded with a vigorous plea for an enhancement of the contribution to the Bangalore City Municipality. Bangalore was the administrative capital of the State and was not only the centre of attraction on account of the amenities it provided but also a health resort. Year by year it was growing in extent, and it was therefore necessary to provide increased grants for it. The provision made in the budget was only Rs. 75,000, out of which as much as Rs. 30,000 would have to be spent on drainage works, and the balance would not suffice for effecting any improvements worth the name.

Mr. L. VEMA REDDY said that he was very happy to see a surplus budget after a series of deficit years. He said that this was rendered possible because some of the industrial enterprises undertaken by the Government were yielding handsome profits. It did not matter much even if the Government had drawn some money from the reserve funds. It was a point for satisfaction that there was a surplus, and for this the Government deserved the thanks of the members of the House. And yet, it was incumbent on the Government to suitably re-adjust expenditure with reference to dependable sources of income in future. Otherwise, they might count upon uncertain sources and when they were not realised, it might become necessary for them to collect all they could from the poor tax-payers who were already hard-hit. This, to some extent, was the case even at present. The remission rules were not being given effect to in the spirit in which they were framed. He would therefore suggest that remissions should be sanctioned at least to the extent of Rs. 2 lakhs in view of the anticipated surplus. And in order to meet the consequent fall in revenue, he also suggested that the withdrawal of salary cuts be postponed for the present.

Referring to the level of land tax in Mysore, he said that the indebtedness of the raiyat was due to the heavy burden of assessment. Compared to the rates levied on the adjoining lands of British India, the rates levied in the State were very high. Government must reduce the rates and give relief to the raiyats. This would no doubt result in a certain amount of loss of revenue to the Government and they might find it difficult to meet their obligations. Government should adopt some bold policy, reduce their expenditure and meet their obligations. As things stood, expenditure was more than the income.

As regards the Railway income, he said that there was an impression in the mind of the public that there was leakage and that the department was not getting as much revenue as it ought to. Arrangements should be made for proper supervision and prevention of leakage, if it really existed.

For drinking water wells, he represented that, as in the current year, the grant be raised to one lakh of rupees.

Referring to grants for town improvements, he said that they were also quite insufficient. Government had already spent lakhs of rupees on the improvement of cities and now that improvement thereof was pretty satisfactory, funds might be diverted in future for town improvements. It would not do for the Government to say that the municipalities should bear one half of the cost if Government should make grants for the purpose. If they insisted on such a condition, the municipalities would not be in a position to provide their quota and even the Government contribution would lapse. It was therefore necessary to give them outright grants without imposing any conditions.

Referring to Village Panchayet funds, he said since local officers had not sanctioned works in the village as they were

recommended, funds had accumulated. If the recommendations had been sanctioned, so many works of public utility would have been done already. The benefit of these were not derived to the panchayets. And what was worse, it was ordered that even small works should be entrusted to Engineering graduates on contract business. This would not make for economy and the panchayets stood to suffer on this account. He did not know why panchayets were prevented from utilising their funds for works of improvement. He also said that formerly, the principle followed was that the funds of a panchayet should be spent on improvement works within that particular panchayet, but of late that principle had been ignored and money was being utilised for other purposes also.

Mr. PRESIDENT observed that that was really not so. In fact, it was just the other way. Government were discouraging the system of village panchayets making contributions for works done beyond their own respective jurisdictions.

Mr. L. VEMA REDDY also represented that the charges for electric power consumed in the villages were high and should be reduced. It was the raiyats' money that was spent on the Sivasamudram Works and as such some special concession was called for in their case. He suggested that there ought to be no minimum charge fixed in respect of pumping installations for irrigation purposes, in view of the fact that the cost of the installation was borne entirely by the party and the department incurred no expenditure. Also the raiyats would not need power throughout the year. It was only when tanks failed to supply water that power would be made use of for pumping water. In this view, it would not be fair to levy any charge from the landholders even if power was not utilised.

Mr. S. P. RAJAGOPALACHARI mentioned that the minimum had been reduced from one rupee to annas eight very recently.

Mr. L. VEMA REDDY thanked the Government for this reduction. Proceeding, he referred to the encouragement of cottage industries and said that Government should ascertain all the raw materials available in the various parts of the State, prepare schemes for turning them to account, issue prospectuses for the information of the public and encourage people to undertake small industries.

He also represented that in the case of lands under breached tanks, there could be no justification for levying wet rates of assessment. There were many such tanks in Malur and other places. Government should either improve such tanks or levy only dry assessment. With regard to other tanks, he requested that special grants be provided for repairing the sluices and waste weirs.

The REVENUE COMMISSIONER (Mr. K. V. Anantaraman) replied that under all breached tanks, concessions were being allowed, and that any cases in which such concessions had not reached the parties might be brought to notice.

Continuing, **Mr. L. VEMA REDDY** said that many medicinal herbs were available in various parts of the State and that some special impetus should be given by the Medical Department for the use of ayurvedic medicines. Such a step would save to the State lakhs of rupees which were now being spent on foreign medicines.

Referring to the Elementary Education Regulation, he said that it had practically become a dead letter in that absolutely no progress was made in the direction of opening new schools or expanding elementary education Even the funds meant for expansion of primary education were spent for other purposes.

Mr. S. P. RAJAGOPALACHARI pointed out that the amount was being used only for educational purposes.

Mr. L. VEMA REDDY explained that what he meant was that almost all the expenditure was incurred on account of supervision, establishment, travelling allowances and so on and not actually on the spread of education. Only 4 or 5 per cent of the boys from primary schools got into middle schools and the rest stayed back. Within one or two years after leaving school, they forgot the little they had learnt. There was thus

a lot of waste of time, energy and money. This was what the scheme had really come to. Also, the teachers in primary schools were inefficient and ill-qualified. After the Central Recruitment Board came into existence, even men with a mere pass in the Lower Secondary Examination had been appointed as teachers. As regards the work of the schools, he said that in some villages, schools would be closed for days together at a time on account of absence of teachers. The Director of Public Instruction should induce prominent local men to take interest in the work of the schools in their villages and to see that classes worked both regularly and efficiently. There were also many other defects in the working of schools in rural parts. All these should be rectified and effective steps taken to spread education in all rural parts.

Mr. MIR MAHOMED SAHIB, who spoke next, represented that though the prices of coffee, areca and cardamom had fallen considerably, Government had not given the planters any concession by way of reducing the assessment. The planters were finding it very difficult to pay the assessment at the existing rates and unless Government gave them some relief either by way of postponing recovery of the assessment or by giving remissions as in the case of wet lands when crops failed, the planters would be ruined, the plantations would be given up and the Malnad would become altogether depopulated.

Referring to the land revenue figures for the budget year, he said that under Notice Fees, etc., Government had estimated an income of Rs. 30,000 and this showed that they were not likely to show any concessions to the raiyats. He would request the Government not to be too hard in the matter of collection of land revenue, at least for a few years to come.

Referring to conditions in the Malnad, he said that for want of adequate sanitary, medical and other facilities, child mortality was appallingly high. All possible steps should be taken to prevent it. Drinking water wells rarely existed in the Malnad at present. In particular, Adikarnatakas were experiencing untold difficulties for want of drinking water wells of their own, because they would not be allowed to draw water from other wells. Want of good drinking water was one of the chief causes for so many diseases in the Malnad and its depopulation. Government therefore ought to give a special grant for sinking drinking water wells in selected areas in the Malnad.

The member also suggested that Amrit Mahal Kaval lands be released for cultivation and made available to the raiyats who applied for it. Thereby, landless people would be helped to own lands, the extent of land under cultivation would be increased, and the Government also would be realising some additional revenue every year.

Referring to educational facilities, he said that representations were being made for several years past for the opening of a high school at Tarikere. When the Dewan last visited the place, he had stated that if the local people collected a sum of Rs. 10,000 for the purpose, Government would grant a school to the place. Funds to that extent had been raised, but a school was not opened there. While other districts had two or more high schools each, there was only one high school in the Kadur District. In this view, the member requested that an additional high school might be opened at Tarikere as early as possible.

He also represented that liberal grants should be provided for town improvement works in the Malnad.

He said that while other classes of people were getting many concessions at the hands of the Government, the raiyats were getting none. He requested the Government to ascertain the income and expenditure of the raiyats so that the Government would be convinced that the income of the raiyats was less than their expenditure and would give them some relief without any hesitation whatever.

Mr. C. N. NARASINGA RAO said that whatever difference of opinion there might be on other points, there could be no dispute about the progress made by the State within the past decade. It

could safely be said that the State had made rapid industrial progress and thereby solved the question of unemployment to some extent. For this and for the intensive campaign of advertising Mysore and her goods in England and other countries in the West, the members of the House were very thankful to the Government. Mysore to-day was better known to the world than it was a few years ago.

Referring to the budget before the House, he observed that due to certain adventitious revenues such as those from the gold-mining royalty, excise duty on matches, sugar, etc., it had been possible for the Government to expect a revenue of Rs. 3·77 crores in the current year and Government were hoping to realise similarly large revenues in the budget year also. And heavy expenditure had been proposed in the hope of realising all such expectations. If, for any reason, the realisations fell short of expectations, the State would find it hard to meet its obligations. It was therefore desirable to show all adventitious items of revenue separately and also to keep the expenditure well within the normal revenue.

Continuing, he said that within the last 10 years, the funded liability of the State had increased by leaps and bounds. The debt *per capita* had increased from Rs. 8 to Rs. 15, while the earning capacity was as low as Rs. 5 per head. Individual indebtedness had also increased enormously. At such a time, the restoration of salary cuts would not be justified. It would be well, he thought, to keep on the cuts utilising the revenue therefrom for the spread of education.

He endorsed Mr. Venkatesiah's view expressed the previous day that the balance of trade was not in favour of the State. In this view, he suggested that attempts must be made to increase exports.

It had come to his notice, he said, that the acreage of land under cultivation was very much less than what it was some years back. Government should enquire into the truth or otherwise of this statement. If it was a fact, it must have been due to the heavy indebtedness of the raiyats and their inability to pay kandayam. At least 25 per cent of the waste lands should be made available for cultivation and given over to the raiyats. They must also be given facilities for carrying on agricultural activities. The tendency of the present day was for people to migrate from villages to towns. Attempts must be made to get them to go back to the villages by giving them all facilities and making the villages more attractive for them.

The speaker next advocated the need for the revival of the Amrit Mahal Department and for improving the breed of cattle.

Referring to educational progress, he deplored that though the Elementary Education Regulation had been in force in the State for 7 or 8 years, the percentage of literacy had not increased to any appreciable extent. Mysore, he said, was far behind Travancore or Cochin where the percentage of literacy was 50 to 60 and he suggested that strenuous attempts must be made to raise the percentage. He added that it was very necessary to give physical education for children in the primary and middle schools and to appoint a special officer for the purpose.

Referring to electric power charges, he endorsed the statement made by some of his predecessors that they were high. He brought to the notice of the House that the Calcutta Corporation had appointed a Committee for recommending a fair rate to be charged per unit of power supplied. That Committee had recommended a rate of Re. 0-2-5. When private companies could supply power at so cheap a rate, there was no justification for the Mysore Government with all the facilities which it commanded, to charge such a high rate as four annas per unit especially at the present time when prices of materials were quite cheap. He urged that the rate should be reduced to the original level of Re. 0-2-6 per unit If that was done, there was every likelihood of more revenue coming in as more people would go in for power.

While thanking the Government for starting fresh industries in the State,

he emphasised that their policy must be to see that more and more of local people took advantage of such concerns. If there was a preponderance of outside shareholders, they would naturally exploit the local people. That danger should be avoided. He was making that statement as it had come to his notice that in some of the concerns recently started, the majority of the shareholders were outsiders. He would regret very much if it was true. The Government held more than 50 per cent of the shares in the Sugar Company. As a result of it, they were getting handsome revenue in the shape of dividends and that money was being utilised for the benefit of the State and its people. The same policy should be adopted in the case of other industries also which would be started in future. With a view to induce the local public to invest their money in these concerns, he suggested that Government should direct the revenue officers to educate the people in the matter just as they did in the past when war loan bonds were issued.

Referring to tobacco cultivation, he said that lakhs of rupees had been spent in the past on its cultivation at Whitefield by private parties, but the scheme had subsequently been given up as unremunerative. The Government had taken up the same work in the same locality now and were spending large sums on it. He was not sure that the experiment would prove a success. It had come to his notice that climatic conditions at Whitefield were not quite favourable for the cultivation of tobacco. So the scheme would have to be examined very carefully once again and if it was not very hopeful, it might be given up promptly so that further losses might be avoided.

Referring to the resumption of the Bangalore-Harihar line from the Madras and Southern Mahratta Railway Co., he said that action must be taken even from now to see that the company did not dump on the State old and useless rolling stock. He also said that with a view to divert the traffic to their own lines, the Madras and Southern Mahratta Railway Co. had altered the railway timings. For instance, passengers from Harihar side had to wait for 4 hours or more at Hubli to get connection to other trains. Suitable action should be taken from now to see that the company did not prejudice the interests of the Mysore Railways in any way. Otherwise, the State would stand to lose considerably.

Criticising the legislative policy of the Government, he said that the opinions of the Representative Assembly were not respected by the Government. As an instance in point, he said that Bills thrown out by the Assembly had been placed before the Legislative Council and passed. Certain privileges which the Assembly had been asking for had not been extended to it. In matters relating to the fundamental rights of citizenship also, the representations of the people had not so far been considered sympathetically. The people of the State were beginning to entertain fresh hopes and high ambitions and everywhere there were signs of new life, new aspirations and new activity. At such a time, he said it was the duty of the Government to help and encourage them in all possible ways so as to enable them to keep abreast of the times.

Referring to the administration of local bodies, he said that wherever the interests of the Government were concerned, Government interpreted rules and Regulations so as to suit their own purposes and this had lowered the prestige of the local bodies. As an instance in point, he referred to the recent appointment of a Health Officer for Bangalore City. The member requested that Government should do nothing which would compromise the position and status of local bodies. Otherwise the fair name of the State as a whole would suffer.

The member then referred to certain newspaper reports relating to the recommendations of the Committee appointed by the Government to examine the Rules and Regulations and Standing Orders of the Legislative Council and the Representative Assembly and said that those recommendations were,

in many cases, of a retrograde nature. One of them related to the withdrawal of the privilege of the Representative Assembly to return 8 of its members to the Legislative Council. It was very desirable that the Government did not entertain such recommendations. The member also enquired whether the report of the committee would be placed before the House and an opportunity afforded to it to express its views on it.

Mr. S. P. RAJAGOPALACHARI said that only the recommendations of the committee had been published for general information, but not the Government's decision thereon. Copies of the report would be distributed to the members and if after perusal they considered it necessary to discuss the recommendations, Government would give them an opportunity to do so.

Mr. NARASINGA RAO said that it was very necessary to discuss the report in the House. For example, one of the recommendations of the committee was that freedom of speech should be granted to members of the Legislative Council but not to members of the Representative Assembly. There would be no justification for an invidious distinction like that. As at present, the members of the Assembly were bereft of all powers except that of making representations. And even in making representations boldly, sometimes, members had their own difficulties and things might improve if the members enjoyed freedom of speech. Was it the desire of the Government, he asked, to deny them even the privilege of making representations boldly? In short he said that the recommendations were very retrograde in nature and the House should be given an opportunity to discuss the report.

Nawab SHER KHAN congratulated the Government on presenting a surplus budget in spite of the fact that the income of certain departments, *viz.*, Revenue, Excise, etc., was less than in the current year. He was thankful that some concessions had also been provided for to the raiyats. He did not agree with some of the previous speakers who had expressed themselves against the removal of the salary cuts. He was glad that almost all the big industrial concerns were located in the malnad. He was very happy to find that for the first time the Bhadravati Iron Works had shown a profit and this, he hoped, would mark the beginning of a new epoch in the industrial history of Mysore. To the extent that industries were promoted, the prosperity of the country would be guaranteed. In this view, he was very pleased to note that Government were about to start some more industries, *e.g.*, Cement Factory, Paper Mills, Spun Silk Factory, etc. This would also help to solve the problem of unemployment to a large extent.

The Government had, on the one hand, given serious attention to the recommendations of the Sapru Committee Report and, on the other, were requesting the Gold Mining authorities to give employment to Mysoreans. If their efforts in these directions succeeded, the question of unemployment would be entirely solved.

In connection with the electrification of Davangere, for which 8 lakhs of rupees had been provided, he requested that towns on the way, like Honnali, Nyamati, and Harihar be also supplied with power for lighting as well as for industrial and irrigational purposes. He suggested that if the several municipalities were prepared to give the required guarantee and sent up applications through the Deputy Commissioner concerned, their cases should be favourably considered.

He thanked the Government for having provided funds for the extension of the railway line to Sagar with a view to create facilities for the transport of malnad products. He represented that a sugar factory be established in some suitable place in the Shimoga District.

Referring to education, he said that the additional grant of Rs. 15,000 provided for primary education was inadequate and required to be enhanced. Particularly in the Shimoga District, he said, the financial position of the school board was very unsatisfactory and unless some special grant was given for that school board, there was no hope of either new schools being opened or even of the existing schools working satisfactorily.

As regards the University, he said that on account of the abolition of the Intermediate College at Shimoga, poor boys of the malnad had practically been forced to give up higher studies as they were unable to go to Bangalore or Mysore where college education was very costly. It would be of great help to them if the Intermediate College could be revived at Shimoga.

In conclusion, he said that now that money was available at cheap rates of interest, Government might borrow sufficient money and invest it on profitable industries. That would not only bring in a good return to the State by way of profits, but would also solve the question of unemployment to a very great extent.

Mr. PUTTASWAMI GOWDA started with a reference to the forest budget and said that there was no justification for the provision of Rs. 75,000 under "Sowing and Planting" and of Rs. 35,000 under "Protection from fire" because all the work falling under those heads was being got done by the raiyats without any cost whatever. He had himself seen the nurseries as well as big forests like Kobbal, Chilandadi, etc., and he knew for certain that fire protection work was not done anywhere, and when a fire broke out, the forest would be ablaze for days and weeks together. If at all any attempt was made, the guards indented on the services of the raiyats but paid them noth ng. No doubt, the Government were providing money for remunerating all such services, but the raiyats were actually getting nothing. The money was all going elsewhere. Similarly there was leakage of minor forest revenue also. There was a rule that grazing should not be allowed in the forests. All the same grazing was going on, but the Government were not getting any revenue. It was the guards that benefited by it. He also quoted the instance of a forest contractor who had recently sent 10 to 12 cart loads of sandalwood to Bangalore for sale. There were one or two cart loads still lying in front of the contractor's house. He had reported the matter to the departmental officers, but no action had been taken so far. Again, a certain auction sale was recently held which many innocent people attended, but it was subsequently found that it was not a duly authorised sale and that the forest guards themselves had played the game. Any number of such irregularities were going on, but he would content himself with saying that with stricter supervision, it would be easily possible to get an additional income of 5 or 6 lakhs of rupees from the Forest Department.

The raiyats were not deriving any material benefit from the Agricultural Department and yet nearly 11 lakhs of rupees were being wasted on it annually. He had seen the experimental station at Hunsur. The crops there were not healthy. Nobody seemed to have taken any interest in selling the ragi grown there and remitting the money to the Government. The department had been in existence for over 15 years and was doing plenty of research work; and yet the people had to get manure from western countries as they were doing before the department was started. What was the earthly use, he asked, of having such a department? Either it should be abolished and the expenditure saved or it should be made more efficient, even at some extra cost. But, as at present, the work of the department did certainly not justify its continuance.

He also requested that early action should be taken to construct a bridge across the Shimsha river near Malavalli.

The SECRETARY to GOVERNMENT, PUBLIC WORKS DEPARTMENT (Diwan Bahadur N. N. Ayyangar) replied that estimates for the work had been approved and that work would be taken up very early.

Referring to the anticipated surplus of Rs. 2 lakhs in the budget year, **Mr. PUTTASWAMI GOWDA** suggested that it might be utilised for giving loans to agriculturists. Some previous speakers had suggested that it should be used for the spread of educational facilities. No doubt, education was an important department of activity, but agriculture, in his opinion, was more

important than that. In this view he thought that Government would do well to pay their first attention to it and then think of educational expansion.

Mr. Tudki RAMANNA GOWDA said that for malnad improvements no special grant had been provided in the budget. The grant for roads was altogether inadequate and nearly 20 miles of the Shimoga-Mangalore road was unfit for traffic in the rainy season. When the railway cess was imposed, a promise was held out that railway connection would be given to Tirthahalli, but there was no near prospect of construction of the said line. He requested that the cess collection might be utilised at least for improving the roads in the district.

He then represented that for the past 20 years requests were being made for the construction of a bridge across the Tunga. The work, if taken up at present, would provide employment to a large number of people for some years in addition to providing a great convenience to people in the malnad. He also suggested that the grant for drinking water wells be enhanced to one lakh of rupees and that the sanctioned amount be made available by the end of September at least so far as the malnad districts were concerned. As a result of sanction not being communicated in time, much of the sanctioned grants was lapsing.

He urged for additional grants under village improvements and malnad scholarships. As regards primary education, he said that there were serious handicaps in the Shimoga District. The cess collections were not satisfactory and nearly 60 schools had to be closed down. And the amount available was not sufficient for keeping on even the remaining schools. For the current year, the Government had provided a special grant of Rs. 10,000 for the district. A similar provision might be included in the budget under discussion also; else, the Government might take over control of all the schools and manage them. The School Board was getting no financial help from the District Board, because the finances of the latter also were not satisfactory.

Ever since the abolition of the itinerant courts, people of Tirthahalli taluk were experiencing great difficulty in attending courts, as they had to go all the way to Shimoga which was 50 or 60 miles away. Government would do well to establish a permanent court at Tirthahalli so as to obviate the difficulties of the people of the taluk.

He also said that the State grant to the Tirthahalli Municipality was very inadequate. The Tirthahalli Municipality belonged to the temple there. The municipality was heavily indebted and had to pay very heavy interest charges. There was also not much of octroi revenue to the municipality. For these reasons, he represented that the grant be kindly enhanced.

He also requested that the rate of interest charged by the land mortgage bank be reduced.

Next, he suggested that the allocation of high school scholarships be made by schools and not by districts as under the existing system, the interests of particular schools were suffering.

The member represented that the malnad raiyats' privileges rules were not of any material benefit to the raiyats. The privileges, he said, existed only in name. Even the concessional rates charged under the rules for timber supplied to malnad raiyats were very high, having been fixed at a time when prices generally were high. Now that the general level of prices had fallen, he requested that timber might be made available at cheaper rates to the malnad raiyats.

He also represented that the assessment on areca gardens should be reduced at least by 20 per cent in view of the serious fall in the prices of areca.

The member concluded with the prayer that Government should have greater sympathy for malnad and its people and also translate that sympathy into action at every possible opportunity.

At this stage the House adjourned for lunch and reassembled at 3-45 p.m.

Mr. Belur SRINIVASIENGAR prefaced his remarks with the observation that he had been a member of the

Assembly for the past 17 years and had watched the policy of the State Budget during the entire period. The officers who were in charge of the finances of the State from time to time had not adopted any consistent policy even though the representatives of the people were insisting that they should do so. Consequently, the difficulties of the State, and therefore those of its people were being aggravated. It was a pity therefore that in the 11th year of the present Dewan's regime, there was need for members of the House to suggest a policy of greater caution in financial matters. And the speaker ventured to make that suggestion for the single reason that the same Dewan had the rare opportunity of continuing at the helm of affairs for many years more, so that he could himself rectify matters in the years to follow.

Though the Dewan's Address to the present session of the Assembly contained an interesting review of the administration of the State during the past 10 years, the member was disappointed at the absence of any reference in it to the progress achieved in respect of such large questions as Subsidy, the all-India Federation, Constitutional Reforms within the State tending to the attainment of a Responsible Government, etc. The question of questions, he said, was whether at all there was going to be any relief or improvement in those directions. Mention should have been made also of any improvement in the earning capacity of the people, resulting from any special efforts put forth by those charged with that responsibility. He was, however, glad to find definite statements made regarding the future plans of the Government for the development of industries and commerce in the State, as also their financial implications. The previous Dewan had, in his Address of October 1925, referred pointedly to certain large internal problems of the State, such as tank restoration and maintenance, unemployment, etc. While emphasising therein the need for increased production of food-stuffs which were being imported into the State in enormous quantities from outside places, he had remarked—

> "Government are convinced that the welfare of the raiyat population which, no doubt, is retarded to a large extent by the delay which has taken place during the last half a century in this important matter, depends greatly on the quick restoration of minor tanks. . . . . The cost of restoration of tanks should be properly regarded as an insurance of land revenue and should, as such, be a first charge on the revenue from wet and garden lands. If possible, we should even form a depreciation fund out of such revenue . . . . "

Elsewhere, the same Dewan had referred to the building up of a sinking fund of Rs. 2 crores by setting apart a sum of Rs. 10 lakhs annually during the following 20 years to work out the programme. Though the present Dewan also had promised in his Addresses in subsequent years that he would be pursuing the policy laid down by his predecessor in that respect, no substantial progress was actually shown. Taking the case of one particular district, *viz.*, Bangalore, the speaker pointed out that several tank works were still kept pending and it was not clear to him why they should not have been taken up within the past 10 years. There were also other omissions in the Address. For instance, there was no information as to the present increase in the yield per acre of cultivated land as compared with that in 1926. He hoped that these omissions would be made good at least in the next Address of the Dewan to the Assembly.

He next referred to the claim laid by Government for a surplus budget for the coming year and said that a comparison of the statements in the Financial Memorandum for 1926-27 and those for the current year would reveal the fact that it was not a surplus budget. Interest on Sinking Fund investments was all along being credited to the Sinking Fund itself but from 1934-35 onwards, it was being merged with general revenues. No doubt, it had been explained that this was done purely as a temporary measure, but yet it was not correct in principle. When an annual contribution from general revenues was being set apart for the building up of the sinking fund, the interest accruing thereon should naturally go to swell

the same fund. He totally disapproved of this change of policy, more especially in view of the statement made in the Financial Memorandum for 1930-31, *viz.*, that the aggregate amount of the three sinking funds with the accumulated interest thereon would come to Rs. 231 lakhs, even which amount was only 64 per cent of the rupee liabilities, still leaving a balance of Rs. 124 lakhs to be built up in the subsequent years. Such being the case, it was unfair to have appropriated it to the central revenues just for the purpose of showing a surplus budget.

Another objection of his related to appropriating the interest on Famine Insurance Fund to normal revenues. At this rate, he was afraid the fund itself might be wiped out in course of time.

Mr. S. SHAMANNA contradicted the member by explaining that that fund would never be wiped out. There was a sum of Rs. 60 lakhs to its credit and no reduction of this balance was proposed. It was only the interest thereon that was appropriated.

Mr. Belur SRINIVASIENGAR emphasized that it was irregular to have stopped the normal contribution to that fund. He then asked how the deficit of Rs. 62 lakhs in the budget of 1931-32 was made up and whether it was not adjusted from out of the loan raised to the extent of Rs. 4 crores as against Rs. 3 crores originally announced. He questioned the soundness of such a procedure which was opposed to all canons of financial policy laid down for the State by expert financiers in former years.

Mr. S. SHAMANNA explained that as regards the Sinking Fund, it was no longer necessary to set apart the same amount year after year, since there were funds enough to repay the debts as and when they fell due, which is the essential feature about these funds. For example, there was the 7 per cent loan formerly. The sinking fund needed for it was actually built up and the loan repaid on the due date. Similarly, what the Government were accumulating now would be adequate for the purpose of discharging the existing loans. Government had been contributing Rs. 18 lakhs and odd annually for that purpose and that was considered quite enough. As was clearly explained in the Memorandum, the system of adding on interest to the corpus had been given up temporarily and would be revived later on when the State could afford it. The contribution to the Sinking Funds was not an unchangeable figure for all time. It was quite common in all countries—even in England—to reduce it when necessary.

Mr. Belur SRINIVASIENGAR, however, said that it would have been better if the Government of India were made known that the State was really having a series of deficit budgets and therefore could not afford to keep on paying the subsidy.

He next referred to the non-voted items of expenditure which went on increasing from year to year and he regretted that the power of the Assembly in discussing the budget came to be curtailed to that extent.

As regards uncertain items of revenue like Mining, he wanted them to be classified under abnormal revenues instead of mixing them up with the normal revenues.

He next asked why no sinking fund was formed in respect of the 3 per cent loan recently raised.

Mr. S. SHAMANNA replied that from the beginning it was only a contribution of Rs. 18 and odd lakhs per year that was being made to the sinking fund whatever the amount of the loan and that there was no need to make separate provision for each new loan.

Mr. SRINIVASIENGAR next referred to the revised Budget for 1935-36 and pointed out the fall in revenue under certain industrial concerns like the Sandal Oil Factory, Soap Factory, etc. He advocated the maintenance of their accounts separately from the normal budget, so that the normal revenues might not be affected by fluctuations in the markets for oil, soap, etc. He also disapproved of the system of spending borrowed funds on capital works of unremunerative character like the Davangere Lighting Scheme, Telephone Extension, etc., and

remarked that Government should have consulted the Assembly before investing funds on such schemes.

Mr. S. SHAMANNA explained that those investments had been made in the full hope that the works would prove remunerative. As for consulting the Assembly, he said that it was not always possible because the House was not always in session. Government would have to take advantage of opportunities of borrowing as and when they presented themselves.

Turning to the new agreement entered into with the Gold Mining Companies, the member wished that Government themselves had made up their mind to work the mines after the expiration of the period of the previous agreement instead of starting new ventures like the Cement Factory. Now that it was not done and a renewal of the contract was already granted to the Mining Companies, he requested the Government to take action at least to see that more and more of Mysoreans were absorbed in the service of the Gold Mining Companies.

In the next place, the member suggested the formation of an advisory committee to help the Publicity Officer in organizing a regular publicity campaign on behalf of the Mysore State Life Insurance.

As regards grants-in-aid to certain aided institutions like the Srinivasa Mandiram at Bangalore, he prayed that the cuts effected as a measure of retrenchment be removed just as in the case of the cuts in salaries of Government officers.

Mr. PRESIDENT replied that the request would be considered.

Rao Sahib M. RAMASWAMY, who spoke next, observed that it was possible to comment in different ways on the finances of a State. But in so doing, he said it was necessary to consider the exact position of the State, its past commitments, its present needs and its future financial possibilities. It was also necessary for the administrators to see how best the public interest could be served, which were the most necessary items of expenditure and what were the best ways of finding the money required. Viewed in that light, the speaker complimented the Dewan on the strenuous attempts he had been making to get some relief in respect of items like customs duty, assigned tract revenue, subsidy, etc., and he had every hope that those efforts would be crowned with success ere long. And, even as things stood, he said that he was not disappointed as regards the budget generally. At the same time, he felt like making some general observations pertaining to certain items:

Village Improvement.—At present there was no industrial organization in most villages. Even in regard to agriculture, ancient and time-honoured methods continued to be followed. It was necessary to introduce up-to-date scientific methods. Seeing that certain old cottage industries had become extinct, the Government must ascertain the industries peculiarly suited to each tract and resuscitate them. If no particular industry was known to be thriving in any tract, the local conditions should be studied and some new industry organized on a small scale. Government should stimulate progress by making available necessary funds at cheap rates of interest. At present the prevailing rates of interest generally varied from 12 to 24 per cent and even co-operative institutions were charging at 8 per cent which was a bit high. In this connection, the member expressed the gratitude of the House for the attempt made by the Government at debt conciliation through legislation. But even that legislation would benefit only such of the agriculturists as were heavily indebted. As regards others who were finding it difficult, due to economic reasons, to carry on their agricultural operations, some general relief was called for. With a view to provide that relief it would be well if Government could grant loans at easy rates of interest. In that event, even the special legislation relating to debt redemption might become unnecessary.

The member suggested that the Veterinary Department should be instructed to see that breed of cattle was

improved by the supply of the right kind of stud bulls for each taluk.

The grant of Rs. 40,000 allocated for village improvement would not go far enough since there were as many as 11,000 village panchayets in the State to share it. As a more effective measure, he urged that the old system of weekly labour might be revived and the enthusiasm of non-official workers roused by the award of annual prizes to the villages which showed the best work.

City Improvements.—The grant of Rs. 50,000 provided for the Mysore City was too inadequate for its needs and the member prayed that it be raised to Rs. 1 lakh in view of the deficits which that city was facing for a number of years past.

Sanitation.—The Speaker urged that vaccination should be made compulsory throughout the State so as to control the epidemic of smallpox which was breaking out frequently in different parts of the State.

Education.—Government were spending only Rs. 50 lakhs on education. There were several villages in the State without schools and it was the duty of the Government to provide schools for all of them. He therefore urged that the grant be suitably enhanced.

Mr. A. VENKATESAIYA, in reviewing the budget, criticised the excise policy of the Government as one not tending to wean people from the drink habit. There was a fall in revenue, no doubt, but that was to the extent of only Rs. 15,000; but even to that extent it was no matter for gratification, because it was attributed more to illicit tapping than to reduced consumption. The member was very sorry that the Government, instead of trying to prepare for a fall in the revenue, had expressed a certain amount of anxiety at the fall of this revenue. He suggested that the Government should at least in future do everything in their power to discourage the drink habit among the people.

As regards the public debt policy, he said that the Government had to contribute as much as Rs. 50 lakhs to the sinking fund from the loan raised recently due to the fact that they had utilised, for normal purposes, all the interest derived from loan funds in previous years, instead of adding it on to the corpus of the fund as was being done up to the year 1933-34. The interest was so utilised for the only reason that the Government were unwilling to show to the public the full extent of the deficit in each of the past few years. In other words, really deficit budgets were being manipulated into surplus budgets with the aid of borrowed funds. This, he said, was highly objectionable.

Mr. S. SHAMANNA explained that the sum of Rs. 50 lakhs referred to was utilised in connection with the repayment of the Madras and Southern Mahratta Railway Debenture Loan amounting to £ 1,200,000. If, as originally arranged, the interest from the Railway Sinking Fund had been added on to the corpus of the fund during the last 10 years there would have been no necessity for this special contribution of Rs. 50 lakhs. But with the special sanction of the Secretary of State, the interest amount was utilised for special irrigation works. The result was that when the time for repayment came, there was a shortage which had to be made up. So this amount was borrowed specially for repaying the Railway Debenture Loan.

Referring to the policy of floating State Loans, **Mr. VENKATESAIYA** remarked that the Government justified their action first by saying that they were tempted by the cheapness of the money market and secondly by their desire to solve unemployment through State enterprise in industries. But he was afraid that the so-called productive works might not pay their way and might in fact result in disappointment, because, he said, there was no guarantee that after providing for sinking fund and depreciation, they would leave any profit. He felt that the policy of optimism adumbrated in the Dewan's Address could be accepted only if the actual results justified it. As matters stood, very few industrial enterprises of Government yielded any large profits and there seemed to be little hope of their ever being able to yield profits.

Even the sinking fund in respect of them had to be provided from the normal revenues.

Mr. S. SHAMANNA, in contradicting the remarks, explained that it was the other way about and that it was the net surplus under interest and receipts from productive works that was being credited to the general revenues.

Mr. A. VENKATESAIYA, continuing, questioned the wisdom of continued borrowing simply because money was available at cheap rates of interest and investing it on speculative enterprises without regard to the possibilities of repaying it when the time came.

Mr. SHAMANNA drew the attention of the member to pages XIV and XV of the detailed Budget and explained that the income from productive works such as the Electrical Works and Railways *plus* the interest received on investments, when compared with the interest paid on Loans, and the contribution to the Loan Sinking Fund, would leave a good surplus, and that that surplus was being utilised for ordinary expenditure. And as regards the nature of the undertakings which the member had chosen to characterise as "speculative," the Government were satisfied that they were justifiable enterprises.

Mr. VENKATESAIYA then referred to the distressingly backward condition of the villages and asked why a portion of the borrowed funds should not be applied to the revival of rural and cottage industries on a large scale. For example, industries like spinning, weaving, tanning, coir-matting, match-making and the like could be started and encouraged. Government were doing their best to provide work for labourers in cities and towns and it was but just that similar attempts should be made to help the people in rural parts also.

At this stage, the Assembly adjourned to meet again at 12 of the clock the following day.

FOURTH DAY.

Friday, 5th June 1936.

The Assembly reassembled at the Jagan Mohan Palace Pavilion on Friday, 5th June 1936, at 12 of the clock, Mr. President (*Amin-ul-mulk* Sir Mirza M. Ismail, K.C.I.E., O.B.E., *Dewan*) in the Chair.

QUESTIONS AND ANSWERS—

(*contd.*).

Reduction of Assessment in Kolar District.

Q.—15. **Messrs. L. VEMA REDDY** (Malur Taluk) and **M. RAME GOWDA** (Chintamani Taluk).—

Will the Government be pleased to state:—

(*a*) were there no suggestions from Kolar District Representative Assembly Members for the reduction of excessive dry rates of assessment in that district;

(*b*) was not an Assessment Enquiry Committee appointed by Government to go into this question;

(*c*) what is the final result of the proceedings of this Committee?

A.—**The CHIEF SECRETARY to GOVERNMENT (Mr. A. V. Ramanathan).**—

(*a*) Yes.

(*b*) Yes.

(*c*) The orders passed on the Committee's report were published in the Gazette.

Mr. L. VEMA REDDY.—There is some mistake in the question as placed before the House. The Committee appointed to enquire into the prevailing rates of assessment in the Kolar District had recommended that as the rates of assessment prevailing in the district were high, the district should be given special relief. My question is, have the Government been giving any special concessions as recommended by the Committee?

Mr. A. V. RAMANATHAN.—Concessions have been given to the extent Government accepted the recommendation.